

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION**

IN RE:)	
)	Case No.: 16-10069
THE CONGREGATION OF UNITY, INC.)	Chapter 11
)	
Debtor(s))	

**EMERGENCY MOTION FOR ORDER REQUIRING THE DEBTOR TO CEASE
OPERATIONS OR TO DISMISS CASE FOR FAILURE TO PROVIDE PROOF OF
ADEQUATE INSURANCE ON SHORTENED NOTICE**

The undersigned, United States Bankruptcy Administrator for the Western District of North Carolina moves the Court for an order requiring the Debtor to cease its operations or to dismiss this case and for other relief as the Court deems proper and says:

1. This is a Chapter 11 proceeding in which a voluntary petition was filed on March 1, 2016. According to the Debtor's petition, the Debtor is a corporation and is not a tax-exempt entity.
2. It is unknown how many individuals the Debtor employs. As such, it cannot be determined whether the Debtor is in violation of North Carolina law with respect to workers' compensation insurance. Maintaining all appropriate insurance is necessary for the protection of the public interest and the bankruptcy estate.
3. On March 3, 2016, an Operating Order was entered in this case that provided, in part, that the Debtor provide proof of insurance to the Bankruptcy Administrator's Office within ten (10) days of the date of filing.
4. On March 9, 2016, the Bankruptcy Administrator's Office sent an email to the Debtor's attorney, R. Kelly Calloway, Jr., reminding him of the due date of all insurance policies. A copy of this email is attached hereto and incorporated by reference. Mr. Calloway responded to this email stating he had requested the insurance on a few different occasions and had not received it.
5. As of the filing of this Motion, the Bankruptcy Administrator's Office has not received any proof of any insurance in violation of the Operating Order and 11 U.S.C. § 1112(b)(4)(C).
6. The Debtor should be prohibited from continuing operations until such time as it has provided proof of adequate insurance. Alternatively, and because this Debtor appears to be "a corporation that is not a moneyed, business, or

commercial corporation,” conversion to Chapter 7 is not permitted pursuant to 11 U.S.C. §1112(c) and the case should be dismissed.

Wherefore, the undersigned moves the Court for an order requiring the Debtor to cease all business operations until the Debtor provides to the Bankruptcy Administrator evidence of the necessary insurance and until the Bankruptcy Administrator reports to the Court that the insurance provided is adequate or, alternatively, for an order dismissing this case and for such other and further relief as the Court deems just and proper.

Dated: March 17, 2016.

/s/ Linda W. Simpson
Linda W. Simpson
United States Bankruptcy Administrator
402 W. Trade Street, Suite 200
Charlotte, NC 28202-1669
N.C. Bar #12596
Telephone: (704) 350-7587 Fax: (704) 344-6666
Email: Linda_Simpson@ncwba.uscourts.gov



RE: The Congregation of Unity, Inc., 16-10069 - Insurance

rkelly

to:

Sarah_E_Scholz

03/11/2016 09:35 AM

Hide Details

From: <rkelly@callowaylawfirm.com>

To: <Sarah_E_Scholz@ncwba.uscourts.gov>,

Sarah,

I have requested this on a few different occasions, including a few weeks prior to filing. I will be in Winston Salem today, but will try to get to my email to see if it came in today.

Kelly

From: Sarah_E_Scholz@ncwba.uscourts.gov [mailto:Sarah_E_Scholz@ncwba.uscourts.gov]

Sent: Wednesday, March 9, 2016 3:20 PM

To: rkelly@callowaylawfirm.com

Subject: The Congregation of Unity, Inc., 16-10069 - Insurance

Dear Mr. Calloway,

This is a reminder that my office must have all insurance for this Debtor **by no later than Friday, March 11, 2016**. Should my office not receive the insurance policy(s), we will need to file a motion with the court.

Thank you for your attention to this matter.

Sarah

Sarah E. Scholz
Bankruptcy Analyst
U.S. Bankruptcy Administrator's Office
402 W. Trade Street, Suite 200
Charlotte, NC 28202
Telephone (704) 350-7588 Fax (704) 344-6666
Sarah_E_Scholz@ncwba.uscourts.gov

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CERTIFICATE OF SERVICE

The undersigned certifies that the document or pleading to which this Certificate is attached was served upon the party(s) to this action listed below by depositing a copy of the same, enclosed in a first-class postpaid, properly addressed wrapper, in a Post Office or official depository under the exclusive care and custody of the United States Postal Service or by electronic service by the Clerk of the Bankruptcy Court through the ECF system on March 17, 2016.

The Congregation of Unity, Inc.
PO Box 546
Edneyville, NC 28727

R. Kelly Calloway, Jr.
- *Electronic Service*

/s/ Linda W. Simpson

Linda W. Simpson
United States Bankruptcy Administrator
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